The Progressive Review

Nbr 316
April 1993

Medi-scam

One of the biggest national policy changes of the past fifty years is now being forged in secret meetings in Washington. Hillary Clinton, appointed by the president to come up with a new health care plan, is defying the intent of the federal sunshine law; she has refused to tell the Government Accounting Office who has been taking part in her sessions; and her public appearances have been carefully controlled photo opportunities before screened audiences.

The congressional Democratic leadership is apparently prepared to take a dive on this issue, just as it has done by fast-tracking trade agreements that should have been subject to wide public debate. Senate majority leader George Mitchell even urged that the health plan be combined with Clinton's tax and spending proposals, so the legislation could be pushed through Congress by the end of summer with (although he doesn't say it) as little public interference as possible.

There is good reason for the secrecy, the efforts to limit public discussion and the extensive media manipulation. If even a portion of what has been reported about Clinton's health plan is true, it may well amount to the most extensive and irresponsible give-away to special interests since the deregulation of the savings & loan industry.

Prospects are good that the resulting scheme will involve a massive transfer of the American health industry -- accounting for one-seventh of the national economy -- to a relatively small number of the largest insurance companies and other major corporations. These companies have the assets to play the game that is being proposed: the creation of a medical oligopoly that will dispense health-care under the rules of the Fortune 500 rather than according to those of Hipprocrates.

On its face, the Clinton health task force is phoney. The single-payer national health insurance that polls have shown is favored by the American public is not even being seriously considered. If there is any popular, grassroots demand for "managed competition" it has yet to appear. It has never been tested, anywhere. Yet, reports Thomas Bodenehimer in an excellent article in the March 22 *Nation,* "Around Hillary Rodham Clinton's health reform table sit the managed-competition winners: big business, hospitals, large (but not small) commercial insurers, the Blues, budget-worried government leaders and the 'Jackson Hole Group,' the chief intellectual honchos of the managed competition movement. . . Adherence to the mantra of managed competition appears to be the price of a ticket of admission to this gathering."

The stakes have gotten so high that a number of the biggest insurance companies -- including CIGNA, Aetna and Metropolitan Life -- have left the industry-wide Health Insurance Association of America, and Prudential and Travelers may follow. Five of the largest insurance companies have formed something called the Alliance for Managed Competition. In this new game one of the first targets of 'managed competition' will be the smaller insurance companies that now account for nearly half of the health underwriting business. Says managed competition advocate Lynn Etheridge, "Ninety-nine percent of the insurance companies are going to be wiped out because they're only prepared to be insurance companies." Shame on them.

The large companies are the ones with the ability to purchase or create the health maintenance organizations that may become de rigeur under the Clinton scheme. The new HMOs will not be the consumer cooperatives as originally envisioned when the HMO concept was first introduced, but massive profit-centers for companies simultaneously subsidized by federal payments for the ailments of the poor and those without conventional insurance. Nor is it likely that insurance companies will be the only winners. It is not by accident that General Electric has been a participant in the Jackson Hole discussions organized by the right-wing inventors of managed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Progressive Review

Bucking the system since 1966

The Progressive Review is published approximately 9 times a year. Formerly the DC Gazette. One year subscription: $15. Two year subscription: $27. Single copies: $2.00. The Review uses the news services of College Press Service, Pacific News Service, New Liberation News Service, and the National Student News Service. The Review monitors both Compuserve and Peacenet.

Editor: Sam Smith
The Progressive Review
1739 Connecticut Ave NW
Washington DC 20009
202-232-5544
Fax Nbr: 202-234-6222

Compuserve ID: 72067,1525
Peacenet handle: ssmith
Gateway address from Internet, Bitnet:
ssmith@igc.org
ISSN 0889-2202

Become a supporting subscriber: Many small circulation publications keep going with the help of supporting subscribers who contribute a sum in addition to their regular subscription to aid the publication in its work. You will note on your renewal form that there is such a category. We will be grateful if you indicate your support of our efforts by subscribing or renewing with a contribution above the normal fee or by sending us a contribution today. Mail to the Progressive Review, 1739 Connecticut Ave NW DC 20009

Help spread the word: To introduce the Review to friends through a free trial subscription, just write their names and addresses on a postcard and send it to the Review.

Copyright 1993, The Progressive Review. Articles not otherwise copyrighted may be reprinted by other periodicals provided they give proper credit and pay their normal reprint fees, if any.

competition. GE, Prudential, Aetna, Metropolitan Life, Cigna, the Blues, Merck and the Pharmaceutical Manufacturers Association are among those who have been plotting at Jackson Hole, with corporate sponsors coughing up $33,000 to $100,000 each for the privilege. (For more on the provenance of managed care, see last month's issue.)

The chair of the Jackson Hole meetings, Thomas O. Pyle, was until recently chair of one of Clinton's task force's committees. His resume gives a good insight into the sort of people to whom the Clintons are listening. Pyle was, until 1991, the chief executive of the largest HMO in New England. He is still a director the Millipore Corporation, a firm that sells a variety of products to drug and biotechnology companies, hospitals and laboratories.

Equally interesting is his role as advisor to, and stockholder in, the KBI Healthcare Acquisition Corporation. KBI describes itself as a "publicly traded buy-out fund organized for the express purpose of consummating a significant acquisition in the health care field" -- the sort of practice that would likely become rampant under managed competition.

Pyle's other activities include being a senior advisor for the Boston Consulting Group which has health industry clients; a director of the Chickering Group which sells student health insurance policies, and a director of another firm that sells malpractice insurance.

Somehow, it didn't occur to the Clintonistas until mid-March that Pyle had a slight conflict of interest problem.

■

The media, which has bought heavily into managed competition, describes it in antiseptic, comfortable terms. For example, the *Washington Post* on March 9 wrote:

> Each health plan -- which could be organized and managed by insurance companies, physicians or others -- would group together doctors, hospitals, clinics, laboratories and other providers. Eventually, the marketplace -- consumers making selections through their purchasing cooperative -- would determine the price.

Skipping neatly over the fact that it was the "marketplace" that got us into this mess in the first place, the description paints a gentle image of people coming together under a fair and equal system. In fact, for example, it took Prudential seven years and $2.6 billion to build its HMO network before it made a profit. Not many physicians -- even the wealthiest -- can compete in that sort of a marketplace. Doctors who are not financial manipulators are actually not likely to fare much better than consumers; many will be forced into the salaried employ of huge health corporations.

Even the *Post* admits that managed competition would "limit consumers' choice of physicians, make it harder than it is now to see specialists and would put an intermediary -- the 'manager' of the plan -- between the doctor and the patient. The intermediary's role would be to make sure that physicians and hospitals use their resources in the most efficient way."

This is not a new idea; it already allegedly exists under "managed care," where insurance companies second-guess patients, doctors and hospitals on health care decisions. This has helped to drive costs up, drive patients and doctors to distraction, and failed to improve health care. Fortunately, the principle has not yet been applied to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fire and police departments, in which case you might find a cost accountant at the other end of 911.

To get some idea of the bizarre mind set that can develop when health and economic considerations get intertwined, consider the memo written by Clinton's nominee to be undersecretary for international affairs at Treasury. While an economist at the World Bank, Lawrence Summers wrote one of his colleagues these words:

> Just between you and me, shouldn't the World Bank be encouraging more migration of the dirty industries to the [less developed countries?] . . . I think the economic logic behind dumping a load of toxic waste in the lowest-wage country is impeccable and we should face up to that . . . I've always thought that under-populated countries in Africa are vastly underpolluted; their air quality is probably vastly inefficiently low compared to Los Angeles or Mexico City. . .

Since Hillary won't tell us, we don't know whether Summers is among those involved in planning America's health care, but we do know that her husband thinks highly enough of the man to name him to one of the most important posts in the government. And we do know that a similar macho, Darwinian economic approach to health issues lies just beneath the surface of the administration's thinking. Managed competition's creator, Alain Enthoven, for example, once said that hospital closings should be as routine as plant closings.

Certainly Wall Street has gotten the picture. A Washington lawyer who specializes in healthcare cases told the *New York Times* that his firm has "received calls from Wall Street investment houses. They want to know what healthcare companies are well positioned for healthcare reform under President Clinton."

■

It would be one thing if managed competition's advocates could cite some empirical basis for their arguments. But, in fact, managed competition has never been tried. It has been promoted largely by conservative theorists, not a few of whom are as interested in cutting the deficit as they are making people healthy. As the *Left Business Observer* put it, "managed competition comes from an economist's mind, not human experience." Even if one rejects a single-payer system, we should at least demand a token amount of research and development -- or borrow from workable state programs -- before revolutionizing our whole health care policy to fit the theoretical paradigm of rightwing policy wonks. Medicine requires some empirical justification for decisions; we should demand no less of those who propose to rule it.

Even on a theoretical level managed competition wobbles badly. For example, it has been estimated that you need a concentration of about 360,000 people to support at least three HMOs so there can be some competition to manage. One out of three Americans live in an area with fewer than these many people.

Please stand by. We are experiencing technical difficulties.

For the first time since he had his tonsils out as a kid, your editor is about to become a hostage of the medical-industrial complex. The shamans of the AMA have promised to release him in a few weeks with no damage to his normal dyspeptic view of public affairs. In the meantime this journal may exhibit chronological as well as philosophical irregularity. Your patience is appreciated.

Says Rep. Pete Stark of managed competition, "When you get it down to sea level, it doesn't do anything, which is why everybody likes it. There's no new taxes needed, it provides universal access, and if you believe all that, that's somewhere between the tooth fairy and the chuckling oyster."

■

Not only is the idea of managed competition devoid of empirical support, what we do know about competition in the health industry suggests strongly that its theoretical claims are disingenuous at best. Managed competition advocate Rep. Jim Cooper, for example, says that "the market is more brutal than any bureaucracy" in cutting costs and inefficiency, but, as a fact sheet put out by singlepayer advocates argues:

- The private insurance industry, prime beneficiaries of managed competition, spends between 33 and 73 cents in order to provide $1 worth of health care. Comparable costs for Medicare are 2.5 cents and for the Canadian single-payer system only 2 cents.
- It takes 6682 workers to administer 2.7 million Blue Cross policies in Massachusetts, more than the total number of employees needed the Canadian system, which serves 25 million.
- The private insurance companies have left some 81 million Americans with medical problems facing either higher premiums, excluded coverage or denial of all coverage.
- Between 1980 and 1989 the average per employee cost of a typical group Blue Cross/Blue Shield major medical plan quadrupled.
- The health insurers engage in red-lining both by geography and occupation.

We also know that:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

• Managed care -- the forerunner of managed competition -- has been a bust.

• Medical costs were 26 percent higher for hospitals in highly competitive areas than they were in non-competitive communities, according to a study by University of California researchers James Robison and Harold Luft.

• A study by University of Michigan economist Catherine McLaughlin found a similar phenomenon in competitive HMO markets.

• According to Congressional Budget Office director Robert Reischauer, if everyone could be cajoled into an HMO it would only reduce health costs nationwide about ten percent -- roughly one year's increase in health care spending, but that it "probably would not affect the long-term growth of those costs."

The only real efficiency to be found in current health insurance has been in the production of profits for its providers. Even some of these became so flagrantly greedy and profligate that they killed their own money machine, not to mention endangering their customers, as they veered towards bankruptcy. The Clinton administration is taking into its confidence precisely the people responsible for the current health care crisis and excluding from its discussions their victims.

■

In short, it is dangerously misleading to consider the current debate to be only about health. It is also very much about the redistribution of wealth and power in the health industry. Tens of billions of dollars are at stake, which is one reason the meetings are behind closed doors. The barbarians are back again, and they're at the gates of the White House.

If the public really knew what was happening, it would have a lot to say about it. As the *Left Business Observer* put it, "The public wants doctors and government to set standards of care, not insurance companies or hospitals." Yet that's not the way things are headed. As things now stand, it is far more likely that the entire American health system will be redesigned to suit Wall Street rather than meet the needs of Main Street. Those who want to save the entire healthcare system from what amounts to a politically leveraged buy-out by some of America's largest corporations should not be distracted by all the talk about health policy. If that were really the issue, we could cut to the chase. The best health care legislation is already sitting on Capitol Hill right now in the Wellstone-McDermott-Conyers single-payer bill that the Clintons don't want to touch. What's really on the minds of the managed competition crowd is not national health but corporate wealth. As they said during Watergate, "Follow the money." -- *Sam Smith*

Further adventures in Green land

In the last issue, I mentioned that I didn't go to meetings of the Greens for fear that these noble folk might evict me for violating all or part of one of their ten key values.

That is no longer true. As the issue was in the mail, I was on my way to the campus of Bowdoin College in Brunswick, Me., to take part in a conference on new politics. I had expected to hide myself among members of the New and 21st Century parties, participants from the National Peoples' Progressive Network, stray Libertarians, and even perhaps a curious interloper from the Perot crowd.

In fact, representatives from some of these groups were there, but the crowd and agenda were overwhelmingly Green. My initial anxiety quickly dissipated, however, for while the thermometer outside never rose above 25 degrees for four days, the temperature inside the meeting rooms was as comfortable as I have experienced at a political gathering in a quarter of a century.

My previous apprehensions, it turns out, had not been totally misplaced; I had just not realized the extent to which American Greens are moving in different directions. Since 1984, the American Greens have been involved in this country's longest continuous political soul-searching session -- with time out only for constant revisions of their by-laws.

Much of this was necessary and fruitful, but over time such a practice can become self-indulgent and even masochistic. As the group seeks the one true way, the number of alleged apostates and heretics mounts rapidly, recriminations become common, and all but those most hardened to endless reiteration of theoretical arguments begin looking for the exit sign.

As I close as I can figure out, something of this sort has happened among the American Greens. Some of it has bordered on the astounding. I gather, for example, that there has been considerable debate as to whether Greens should believe in "post-patriarchal values" or feminism. While either one would do for your average real life political issue, a number of women at the new politics conference told me that the theoretical Greens -- or left Greens as they are sometimes called -- had been particularly harsh towards women, an unseemly stance for either feminists or post-patriarchs.

In any case, many of the Greens at the new politics conference had tired of the fulsome debates and anorectic action they saw within the US Greens and had drifted, been

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pushed, or jumped, into the world of third party politics. (A few, like the Maine Greens, have been there all along. With typical Maine independence, they did not wait for a national Green movement, but started their own party several months before the first national Green gathering in 1984.)

The result last fall was a record number of serious candidacies in state, local and federal elections. Fifteen out of 92 candidates won office, such as the engaging, pony-tailed new mayor of Cordova, Alaska, Kelly Weaverling. Others did far better than one might have expected, such Linda Martin who got 14% of the vote against Daniel Inouye. Others made respectable showings -- from California to Florida to Maine.

In aggregate, the candidates were an appealing lot: smart, personable, and articulate people who would have found quick acceptance in the Democratic Party were it not for their concern for truth and conscience. These were not radical flakes; but ordinary Americans who had tired of the two major parties' dissin' the environment, democracy, justice, and their own constituents.

Jeff Barrow, who ran for Congress in Missouri, has family roots in Callaway County dating to the 1820s. He edits a newspaper for seniors. His platform stripped the Greens' ten key values down to two essentials: common sense and common decency.

Barbara Ann Rodgers-Hendricks, who ran in Florida's 1st congressional district, is a retired school teacher and counselor with three adult children.

Mindy Lorenz, who in 1990 became the first Green to run for Congress in the US, is an assistant professor of Art History at California State University.

Susan Sklar was a recycling program planner for the Rhode Island Solid Waste Management Corporation until last August when the company cut back its recycling program positions by 60%. So she ran as a Green for Congress.

Jonathan Carter is a teacher and a botanist who became angered by the destruction of Maine's forests and ran against Rep. Olympia Snow last fall, getting about 9% of the vote.

Tony Affigne teaches at Providence College and ran for Rhode Island governor.

Greg Gerritt, coordinator of the Maine Green Party, is a carpenter in Industry, Me.

And even Cordova mayor Weverling says, "For the next election I may cut my hair and trim my beard. Who would not cut his hair or trim his beard to save his mother's life?"

There was a stunning absence of radical posturing at the conference. Abstractions bit the dust as the workshops focussed on media, campaign structure and tactics. Nearly two hours was spent going over the 1992 Maine campaign with Carter and five of his aides. Were it not for the candidate's platforms and atypical emphasis on matters such as "integrity," you might have thought you had stumbled into a session run by Ron Brown for aspiring politicians.

The Greens are, of course, concerned about environmental matters, but there is far more to their politics from that. Beyond ecological wisdom, their core values include equality, non-violence and social justice. They have taken traditional left issues and blended them with a humanistic perspective that leaves them -- as they like to say -- neither left nor right but ahead. To the extent that the term *environmental* suggests phenomena outside our daily lives that we must protect much as we protect a rare elephant, and the term *ecological* suggests the interrelationship of the elephant to what we do every day,

Not only could someone more attuned to conventional, hard-boiled politics such as myself feel at home among the political Greens, but Charlie Graham from Perot's United We Stand also seemed to have a good time, even "facilitating" one of the workshops. When Graham let a politically incorrect malapropism slip and the group groaned, he wryly commented, "Thank God we didn't have to worry about purity in the Perot campaign."

I decided that I had gotten mixed up with a bunch of pre-mature moderates who sincerely, and with no little credibility, saw themselves as the mainstream of the future. Even before the Greens got on five state ballots, the Green idea was having a profound effect on American politics to the extent that Clinton, in choosing a vice presidential candidate, elected to give himself a green glow rather than seeking the traditional geographical diversity.

Greens: where to find them

With their emphasis on decentralism, Greens can be a little difficult to find. Here are some key contacts in the Green Politics Network, the umbrella for politically active Greens:

The **Green Politics Network** can be reached at Rt 1, Box 950, Santa Rosa Beach, FL 32459.

John Rensenbrink, one of the organizers of the new politics conference, has written a detailed description of Green politics, *The Greens and the Politics of Transformation.* He might be described as the theoretician of the non-theoretical wing of the Greens. Write RR2, Box 3292, Bowdoinham ME 04008 (207-725-6955)

Dee Berry has survived most of the ideological battles of the US Greens and lived to tell of it. She is currently working on a reader in Green politics and campaigning. Write 5 East Bridlespur Drive, Kansas City MO 64114 (816-942-3081)

Mike Feinstein (310-392-8450) and **Kent Smith** (916-273-3340) are active in international Green issues and organizing.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Not only have Green issues floated to the top of conventional campaigns but in a little over a decade Green politics has grown from being a German eccentricity to the point where Greens are becoming a significant factor in France; there are ten Green parties in Africa; three in Japan; a new Green party in Spain; there is now a global Green steering committee; and the Greens are running first in the Ukrainian polls.

Nothing like this has ever happened in politics: the autonomous, undirected budding of scores of compatible parties around the globe, joined by a passion to save the planet, devolve power and inject decency into governmental affairs -- linked primarily by computer bulletin boards and occasional conferences. The global village exists and it is very green.

The traditional leftist or progressive could find little to quibble with the platforms of the Green candidates. They avoided the arcane and went for issues that really mattered in their constituencies. To be sure, there were moments when I felt like I was the diversity they talked so much about. In their passion for non-hierarchal process, the Greens have evolved their own rituals and jargon, apparently unconscious of the role these play in getting a hierarchy going in the first place.

One participant suggested that the correct term for leading a workshop was "midwifing" and when you raised your hand to speak your request was placed in a "stack." It was never clear why being in a "stack" was any different than having your name scribbled in order on a pad, a procedure not unknown even at meetings of hierarchies.

At one session a participant lectured the group on the Quaker principle of making sure everyone had a fair chance to speak. I had spoken about an hour earlier and was in the "stack" for my second go. When my turn came, I apologized for speaking again but that I had gone to a

Quaker school and one of the things I had learned was how to beat the system.

And at the end we gathered in a circle and were asked to speak a word or two about what the conference had meant to us. In over 35 years of politics, I have never held hands in a circle with a mayor and a congressional candidate. It felt both odd and a little bit wonderful.

Later it would occur to me that the rituals and jargon were far more gentle, sincere and less self-serving than those regularly practiced at an ordinary Democratic campaign dinner. And in the end, they were only idiosyncrasies of style. The substance made not only political sense, it was -- unlike most conventional politics -- magnificently melded with the non-political, the human, side of our ethics and dreams. By this combination, it addresses the great dilemma of citizen and politician alike: how one can act sanely in an insane world.

■

The Green story is being missed by the media partly because the phenomenon is so invasive and so human that it does not need a central hierarchy, armies or mass media to take hold. More than either a movement or a politics, it is an idea -- which, like the idea of democracy -- is spreading more like a benign virus than like an empire.

The Greens at the new politics conference were determined to keep it that way. Their newly formed association of state parties will be deliberately weak so that Tony Affigne's urban focus doesn't have to do battle with the values of the Hawaiian Greens, who, for example, gave out sweet potatoes (the gift of food in Hawaii being a sign of friendship) as one of their more unusual campaign tactics.

Listening to the radio while driving to the airport after the conference, the news from Washington seemed even more off the mark than normal. It was news of a system desperately trying to save itself, its president reduced to hawking his minor reforms with the hyperbole of a traveling salesman. Washington -- government and media alike -- was serving its usual function as the great American gyroscope, making everything seem level and calm when, in fact it was anything but.

The people gathered in Brunswick, Me., had long ago stopped being fooled. They had decided to go with what common sense and decency told them rather than accepting the charades of political prestidigitators. It is, in the end, the only tool we have. Simple, rudimentary, yet with the inexorable power of truth speaking to illusion. -- *Sam Smith*

The missed message from Japan

Franz Schurmann

The media keep stressing how strong the economic recovery is but wonder why jobs continue to disappear. But from the newly unemployed on up to the CEOS, everybody knows why. The pace of technological innovation is so fast that every day fewer workers can produce more things.

Technological innovation was once seen as the main source of progress. Now it is devastating the job structure on which the lives of most people depend. In fact, it could be turning into an enemy of society.

Yet Japan's modernization indicates the two can coexist productively. Japan never let its high tech success take it too far away from society. In fact, it regards technological innovation and society with its traditional ways as the two pillars on which its success rests.

America's idealists of progress once hoped technology could transform society through the American Dream. A

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

few thousand people, they exulted, could someday supply everything the world needed or wanted.

But for this utopia to come into being, the prices of all things in demand must eventually approach zero. In fact, while the prices of many material goods have become astonishingly cheap, the prices of key services are skyrocketing. One night's stay in a hospital, for example, can easily cost $2000.

As labor costs soar, corporations are thinning out their work forces. These pressures have produced the immense wave of downsizing that has hit the U.S. in the last few years.

Yet because of the profitability of the new technologies the CEOs can make huge profits for corporations and their stockholders. Many of the goods the new technology produces are sold dirt cheap. But society needs more services -- people ministering to each other -- and their costs rise relentlessly.

Yet Western governments are committed to maintaining a utopian style of life for their main voters, a consumerist middle class which fully expects government to pay $2000 a night for a hospital bed. If full employment could return and wages rise generally without an inflationary surge, then a high-price utopia might still be possible. But with giants like IBM having eliminated 30,000 jobs in the last few years, there is little likelihood short of war that Clinton can reverse rising unemployment.

The truth must be faced that the way Western economies have been organized a 1930s style hemorrhage of jobs is inevitable. Yet in Japan, where the economy also is slumping and signs of downsizing have appeared, the unemployment rate still stubbornly remains in the two percent range.

Differences between the Western and the Japanese economies can be seen on the streets. In the West, vast swaths of living space are just for middle-class residents. In Japan -- and elsewhere in East Asia -- everywhere there are small businesses, shops, workshops, cafes, restaurants, routinely described by foreign observers as highly inefficient.

Yet it is this sector that employs the great bulk of the Japanese labor force and where few get fired no matter how low wages sink. These often family-linked businesses are the indispensable safety nets in Japan and all over East Asia.

Japan is a country of stupendous high-tech accomplishments, yet much of the country, including the health care sector, remains quite traditional.. There, low-wage labor and relatively little high tech contrast with the high wage labor and sophisticated technology common in the U. S.

This "backwardness" must havesome good points because the 120 million Japanese now have the highest longevity in the world, with only some 7 million Swedes and Icelanders at a comparable level.

The secret to Japan's low unemployment rate is that the Japanese and other East Asians do not have our concept of a "job." Moonlighting is respected and it is not uncommon for them to work within two or more family-like social structures. They expect to he protected when in trouble and give loyalty in return. And even as downsizing hits Japan, those who lose jobs find paying work in those structures.

The U.S. and the West are never going to emerge from their current depression unless they realize that society is their main resource, and not just the passive beneficiary of technology, no matter how innovative and glorious.

© Pacific News Service

WEATHER REPORT

Land of the free

Speaking before the 1991 National Guard Association Conference, Lt. General John B. Conway, Chief of the National Guard Bureau, said:

"Our commander in chief has declared war on drugs. Our mission as America's National Guard in this war is clear: make America drug-free in as short a time as possible using any means necessary no matter what the cost."

This remarkable quote comes from an excellent article on the role of the National Guard in the drug wars that appeared in the newsletter *Justicia.* The article explains how using the NG (state-run forces -- except whenever the president wants to use them, say, to invade Panama), gets around the Posse Comitatus Act which prohibits military involvement in domestic law enforcement.

So between January and August of last year, the National Guard made nearly 20,000 arrests, searched 120,000 cars and searched over 1200 buildings. There are now 7000 NG troops on drug duty, with an annual budget of about $300 million. Said one National Guard official, "The National Guard is America's legally feasible attitude-change agent."

The regular Army, however, would still like to get in on the act. Lt. Gen. J.H. Bindford Peay III, the chief of staff for operations and plans, asserted in an Army publication that "military forces are required to provide domestic national assistance such as internal peacekeeping

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and anti-drug operations and support of civil authorities to maintain stability in a rapidly changing America.

"We can look forward to the day when our Congress repeals the Posse Comitatus Act and allows the Army to lend its full strength towards making America drug-free."

Harris polls in 1988 and 1993 suggest an authoritarian drift in the American public. In 1988, only 33% expressed great confidence in the military, about the same as for the Supreme Court and major educational institutions. In 1993, 57% thought highly of the military as opposed to 26% for the second place Supreme Court. Support for all other categories -- such as the press, Wall Street and medicine -- dropped with one exception: the White House, which was up from 17% in 1988 to 23% today.

The corporadoes

Robert Rubin, Clinton's economic co-czar, reported earnings of $26.5 million in 1992 at Goldman Sachs, as well as $3.7 million from other sources. According to *Spy*, Rubin took $100 million in partnership capital with him when he left GS to show Americans how to make the economy work again. One Wall Streeter told *Spy:* "It's been said that Rubin would have been Treasury secretary but he couldn't have stood up to the scrutiny."

Eco-notes

Carol Browner, the new head of the EPA, hasn't gotten off to the greatest start. She and her staff have spent considerable time in the first few months defending the use or burning of pesticides and herbicides. One of her first acts was to declare that 35 farm chemicals did not pose "an unreasonable risk to humans." Then her staff headed for Jacksonville, Ark., and tried -- unsuccessfully -- to convince a judge that it was okay to continue burning dioxin-contaminated chemical warfare agents in a local incinerator. Meanwhile, other EPAers headed out to Cleveland to help justify the highly controversial Waste Technologies Inc. incinerator. Browner has also indicated that she favors the incineration of municipal waste.

Urban Ecology notes that "one common misconception is that urban sprawl is needed to accommodate more housing, particularly affordable housing." But the San Francisco Bay area's Greenbelt Alliance has listed a number of ways housing can be provided without sprawl:

- *Use vacant land more effectively.* Avoid single-family housing in favor of a mixture of attached townhouses, condos, and apartments as well as some detached homes, along with shops and workplaces mixed into the neighborhood.
- *Build along major streets.* In its region, the Alliance estimates that 281,000 new housing units could be built along underused commercial strips.
- *Bring people downtown* by rezoning for mixed use, reducing parking requirements for new construction and targeting housing funds.
- *Add accessory units to existing housing.* Washington planning consultant Patrick Hare says about one out of three single-family homes in the US have space for an accessory apartment. That's 15 million new housing units.
- *Recycle land no longer needed by industry.*

Loose change

Progressive groups have long argued that the difference in wages and working conditions between the US and Mexico are so extreme that the North American Trade Agreement can not fail but hurt American workers. Now their views have been backed by none other than Mickey Kantor, Clinton's trade representative. He admitted to a congressional committee that "this is the greatest disparity in two economies that have ever joined in a free trade agreement."

Undergirding Clinton's drive for an industrial policy and the corporate state are a number of faulty assumptions. We have previously noted that contrary to what our president has said, productivity in this country has not lagged in recent times. Now economist Robert J. Samuelson notes in *Newsweek* that business investment, as a percent of gross domestic product, was higher in the 1980s than in the 1970s and nearly 30% higher than in the 1950s. Samuelson also notes that research and development -- which Clinton intends to subsidize heavily -- jumped dramatically in the 1980s, up 52% compared the 12% gain in the previous decade.

Harvard economist Juliet Schor says in her new book *The Overworked American* that overtime is increasing in this country. According to Schor, "Both groups, the overworked and the underworked, are unhappy in their situations. Majorities of Americans say they would prefer more free time at the expense of their pay check."

One of the reasons for companies using more overtime is that it is easier than hiring new workers. With benefits running 40% of salaries (mostly based on the first 40 hours of work), corporations can add overtime and net only three percent extra cost. Hiring, training, providing space, and added paperwork for new workers can be much more expensive.

Proportional representation

Advocates of proportional representation are pushing for state action on the electoral college, in part to educate voters on the value of PR. Two states -- Maine and Nebraska -- already have a version of the system, dividing their electoral votes by the percentage each candidate receives rather than the winner-take-all system in common

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

use. Two bills in the Washington state legislature would introduce PR in electoral counting there.

The Cincinnati City Council is considering revising its election system following a voting rights suit by black voters who claimed they had lost representation since PR was dropped in 1957. At a hearing the council held in February, witnesses strongly supported a return to PR.

Citizens for Proportional Representation is considering entering amicus briefs in several voting rights suits that would argue that PR is the best way of providing ethnically fair elections.

Drug busts

A group of leading figures has called for an end of the war on drugs. Those joining in the statement include Nobel Prize-winnning economist Milton Friedman, Baltimore mayor Kurt Schmoke, former San Jose police chief Joseph McNamara, and California Superior Court Judge James P. Gray.

The Minneapolis Star-Tribune has suggested in an editorial that a major change in drug policy might include some form of legalization or decriminalization. Said the paper: "Jailing Americans and hassling foreigners has proven the wrong answer. Greater emphasis on education and treatment make more sense, and legalization of the least harmful substances is at least worth considering."

USA Today reports that the Drug Enforcement Administration is targeting followers of the Grateful Dead. DEA has tripled spending, personnel and arrests for LSD prosecutions at Grateful Dead concerts. Fans for the GD are described to juries as members of a "cult" or "gang-affiliated." Possession of $1500 of LSD brings a heavier sentence than, say, attempted murder, rape or armed robbery with a gun.

A Baltimore grand jury, operating out of the control of local prosecutors, has issued a report accusing top Baltimore police and prosecutors of blocking drug investigations of important local figures. The grand jury said that "a true travesty of justice is being perpetrated by some of those charged with enforcing the law." According to the grand jury, the police are going after black street dealers while letting the big shots get away.

Rep. Don Edwards has introduced legislation to repeal all mandatory minimum sentences. The mandatory minimums have contributed greatly to inequities in the justice system, especially against those charged with drug possession and use. More than half of federal inmates serving mandatory minimums are first offenders.

CLINTON REPORT CARD

C ECONOMICS & FINANCE

$20 billion economic conversion program for the defense budget. It isn't much but at least the guy knows what economic conversion is. C

D- EDUCATION

• *College loan/national service program*: As currently outlined, the college loan program is a considerable retreat from Clinton campaign promises and the national service program appears designed to get the most credit for the Clinton administration for the fewest number of bucks -- a public relations rip-off of existing programs D

"Unified" apprenticeship program: Apprenticeship programs are fine but feds shouldn't control them F

• *Proposed national competency tests:* Part of the federalization of public education. Besides, such tests are weak in prediction and strong in hidden discrimination F

A ENVIRONMENT

Charging fees for use of federal lands A

D FOREIGN AFFAIRS

Ending Radio Free Europe and Radio Liberty A

• *Haiti F*

• *Bosnia D*

D+ GENERAL GOVERNMENT

Holding Hillary Clinton's health task force meetings in secret and refusing to release list of participants F

Quietly changing the definition of family income to make Clinton tax hikes look better. F

Plan to do a government audit based on a system that has worked well in Texas: A

F INTELLIGENCE

Clinton quietly trying to protect a $29 billion intelligence budget -- about the size of that allotted education and the environment combined -- while parading as the deficit slayer. F

F TECHNOLOGY

$17 billion technology program. The corporate bandits, who ripped off the Pentagon for years, are now up for tenure. *F*

F TRADE

• *Planned request to extend fast track negotiating authority on GATT another ten months F*

• *Failure to reopen negotiations on the NAFTA agreement F*

F TRANSPORTATION

Subsidized R&D for the airplane industry. F

B URBAN AFFAIRS

Community Development program. B

This month's grade: D

Cumulative grade: D+

(•= double credit)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FEEDBACK

Ken Bresler of Newton Centre, MA., liked our piece on thinking small, but notes:

You write that insisting that rights have attendant responsibilities is contrary to the spirit of the Declaration of Independence and the US Constitution. Maybe so, but not contrary to the spirit and letter of the Massachusetts Constitution, the oldest operating constitution in the world, a major influence on the federal and other state constitutions, and arguably one of the most important documents in American democracy.

Here's an excerpt:

X. Each individual of the society has a right to be protected by it in the enjoyment of his life, Liberty and property, according to standing Laws. He is obliged, Consequently, to contribute his share to the expence of this protection; to give his personal service, or an equivalent, when necessary: But no part of the property of any individual, can, with justice, be taken from him, or applied to public uses, without his own consent, or that of the representative body of the people. In fine, the people of this Commonwealth are not controlable by any other Laws then those to which their Constitutional representative body have given their consent. And whenever the public exigencies require, that the property of any individual should be appropriated to public uses, he shall receive a reasonable compensation therefor.

San Francisco mayor Frank Jordan skirted state law and declared a temporary state of emergency to institute a clean needle exchange in his city. Said the mayor, AIDS is "real tragedy. . . It's an epidemic." The city's health commissioner pointed out that every case of pediatric AIDS in the city was directly related to the use of dirty needles by the parents.

The mediacracy

There was recently a flap over new Clinton ethics rules that would prevent administration officials from taking part in that classic Washington brown-nosing event known as the correspondents' dinner. Traditionally, the media competes amongst itself to offer invitations to top politicians. In the course of protesting the new Clinton rules, the UPI's Helen Thomas gave a rare honest insight into how Washington journalism works: "There are evenings of really good fellowship. We do mix and mingle. It's important that we get to know these people. To think of people as friends and colleagues."

Furthermore. . .

Lost amongst the flackery for Clinton's economic program was the consensus of 35 professional economic forecasters that, despite the administration package, unemployment will still average 7% in 1993, just four-tenths of a percent lower than in the previous year. The forecasters were surveyed by the National Association of Business Economists.

THE IDEA MILL

Media

Most of us think of close captioning as something for those who are hard of hearing. But Friends of Leaning argues that it can be an important teaching tool. By buying a $180 decoding device, 78% of the programs that *TV Week* lists as "Best" can be seen with captions -- helping children to improve their word recognition, reading speed, and spelling. Children spend about 30 hours a week watching TV. A growing number of home videos are closed captioned as well: *Info: Friends of Learning, Box 418, Honolulu HI 96809-0418. (808-732-1232)*

Urban ecology

- The city of Curitiba, Brazil, is using exclusive bus lanes to speed mass transit. This idea, which we unsuccessfully proposed for DC back in the 70s, allows Curitiba's busses to travel at an average speed of 20 mph, carrying 3.2 times as many passengers per hour as standard busses. The system took six months to install. Say Mayor Jaime Lerner, "That means you don't have to waste a generation building a subway." Curitiba's bus system carries 1.3 million passengers annually, reports the *Brazilian Monthly,* four times the number as Rio's subway.

The system uses boarding tubes and advance payment of fares and has resulted in 28% of the city's car drivers switching to mass transit.

- Following the example of Atlanta's "Mad Housers" a group of "outlaw carpenters" is building mini-shelters for the homeless at a cost of about $250 each. Each contains a sleeping loft, closet and vented cookstove. So far, city officials have looked the other way.
- Switzerland has founded a green bank that provides financing to alternative enterprises such as biological farms, AIDS hospitals and progressive schools. The recipients pay interest rates from 0 to 2½ percent. One of the country's major banks is also offering "environmental accounts" which charge lower interest rates for ecological projects.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ART MARKETING SEMINARS FOR FINE ARTISTS

By Constance Franklin-Smith author of *Art Marketing Handbook*

Get it straight from the authority!

February 13 ~ Miami, FL March 6 ~ New York City

April 3 ~ San Francisco, CA May 1 ~ Santa Rosa, CA

June 19 ~ Sacramento, CA

This full-day seminar will teach you about:
Launching your art career
Pricing ♦ Marketing plans
Gallery exhibitions ♦ Publicity
Publishing your work
National sales and more!
$79
To register or for more information call 916-692-1355.

ArtNetwork
PO Box 369
13284 Rices Crossing Rd
Renaissance, CA 95962

Presorted
First-class Mail
US Postage Paid
Oregon House CA
Permit #7

Vincent Van Gogh
Asylum St. Paul de Mausole
St. Remy de Provence
France

—TULI

Economics

Leonard Tekaat, who runs International Economy Publications in Bakersfield, Ca., puts forth the interesting thesis that inflation could be far better controlled by income tax policy than by monetary policy. Tekaat proposes that the tax on all interest income be progressively eliminated as inflation occurs, while simultaneously eliminating the interest deduction in the same manner. He says this would "maintain a balance of value between depositors, bond holders and credit users, thus stabilizing our long term credit markets without the use of high interest rate policies. The inflation taxation policy would eliminate inflation psychology investing. It would benefit productive investment by maintaining the lower possible interest rates. This change in our taxation policies will give production the necessary time to balance supply and demand, preventing inflation psychology from being created." *[IEP, POB 42372, Bakersfield, CA 93384]*

ROADSIGNS

Clinton administration

Percentage of Clinton's 1994-95 deficit reduction due to spending cuts: 10%

Percentage of Clinton's 1994-95 deficit reduction due to tax increases: 90%

Percentage of eligible young people who will be able to take part in the national service corps even after it's fully operational: 2%

Drugs

Value of marijuana plants destroyed by the state of Kentucky in 1992: $1.4 billion.

Value of tobacco crop grown in the state of Kentucky in 1992: $843 million.

Farming

Amount loaned black farmers for each dollar loaned white farmers by the Farmers Home Administration: 51 cents

Percent of American agricultural production that comes from counties in or beside major cities: 58%

Justice

Number of Americans behind bars: 1.2 million.

Per capita rank of US in number of citizens in prison: 1

Country in second place: South Africa

Percent of all federal inmates who are in prison on drug charges: 57%

Women

Number of years it will take women around the world to become economically and politically equal to men if current trends continue: 1000

SOURCES

CLINTON: New York Times; *Village Voice* DRUGS: Wall Street Journal FARMING: *American Farmland Trust* WOMEN: International Labor Organization.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FIELD NOTES

GROUPS

Sane/Freeze has changed its name to Peace Action. With the new name come plans to combine anti-militarism with efforts to strengthen domestic social programs, end nuclear proliferation and support for a multi-lateral approach to world problems. *[Peace Action, 1819 H NW #640, DC 20006. 202-862-9740]*

New addresses: The following organizations have moved to the addresses below

Drug Policy Foundation, 4455 Conn Ave. NW #B-500, DC 20008. 202-535-50005.

National Organization for Reform of Marijuana Laws, 1001 Conn. Ave NW, #1119, DC 20036. 202-483-5500.

National Assn. of Criminal Defense Lawyers, 1627 K NW, DC 20006. 202-872-8688.

GATHERINGS

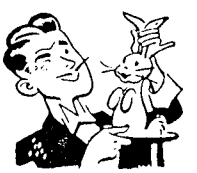
National Carrying Capacity Issues Conference, June 4-6, Hyatt Regency Crystal City, Arlington, Va. Second annual conference to discuss such sustainability issues as environmental protection, ecological economics, growth control, and population stabilization. *[CCN, 1325 G NW #1003, DC 20005 800-466-4866]*

Healthy Cities Conference, Dec. 8-11 in San Francisco. Sponsored by Urban Ecology and others. *[Stuart Chaitkin, 510-848-3391]*

READING

City Watch is a fine example of a local ecological publication. Attractive format and homes in on local issues while including some broader-ranging articles as well. *[City Watch, PO Box 3105, Asheville NC 28802 704-253-2683]*

Forty Ways to Make Government Purchasing Green: Actually it's a lot more than that. The forty ways are general categories -- such as requiring contractors to use waste reduction practices -- and include scores of specific examples and suggestions. *[$10 from Center for Study of Responsive Law, PO Box 19367, Washington DC 20036.]*



THE PROGRESSIVE REVIEW
1739 Connecticut Ave NW
Washington DC 20009-8922

Use this form to subscribe, renew or change your address

[ ] One year $15
[ ] Two years $27
[ ] Foreign one year $28
[ ] Contribution enclosed $_____
[ ] Please correct my address at right

Mail with check to address above

SUBSCRIBER NEWSLETTER

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED